decreases in expenditure as compared to the Revised Estimates of last year. The net result, however, is that though under the Revised Estimate a deficit of Rs. 2·70 lakhs was anticipated as per the actuals the Government have been able to realise a net surplus of Rs. 20,842 after providing Rs. 4½ lakhs towards the constitution of the Revenue Reserve Fund.

7. One of the factors that contributed to this pleasant result has been certainly the strict control which Government have maintained over recurring expenses of a purely administrative character. Under the one item Travelling Allowance alone, as compared to the actuals of 1110, there has been a reduction of about Rs. 10,500 in the actuals of 1113 and this is in spite of the larger daily allowance that is now being allowed to the inferior servants.

8. Under establishment charges though there cannot obviously be an appreciable reduction in expenditure compared to the establishment charges of previous years it will be found on examination that the proportion of increase in expenditure on account of establishment making provision for the increments in the time scales, has been very greatly reduced of late and that the rise in expenditure under establishment on account of new appointments and strengthening of staff is strongly checked. There has also been considerable reduction in expenditure on account of printed forms, stationery, office expenses and such other items of a recurring nature which are required mainly to carry on the functioning of the departments but do not directly contribute towards progress in development or welfare schemes.

9. Having given so far an account of the year 1113 we should now proceed to the figures of the current year.

## REVISED ESTIMATE OF 1114.

10. At this time last year, the total receipts of the current year were estimated to stand at Rs. 1,04,86,500. According to the Revised Estimates, however, they have risen to Rs. 1,08,46,000. The increase of Rs. 3,59,500 has been due to increase under Customs, Interest, Income-tax, Railway, Salt and a few other such items. The increase under Customs is the increase in the actuals realised. The increase under Interest is due to the larger investments from the State general balances. The increase under Income-tax is due to the larger collections expected in the ordinary course by the Income-tax department. The increase under Railway has been due to the larger earnings of the Shoranur Cochin line. So also under Salt the increase has been due to the larger quantity of salt consumed in the State. The only appreciable item of decrease in receipt is under

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Matches amounting to Rs. 86,900. This is on account of the fall in the sale of match banderols, which in its turn has been caused by the closing of a few of the match factories.

**EXPENDITURE.**

11. On the expenditure side, compared to the Budget Estimate the Revised Estimate of the current year shows an increase in expenditure under Public Works, Palace, Miscellaneous, Income-tax, Interest and Pension & Gratuity. The increase in expenditure under Public Works is due to the opening of the approach road to the Harbour bridge, the adjustment of the expenditure of Rs. 11,186 incurred in previous years for the survey of the Anamalai Road and the payment for additional works in the Ram Mohan Palace. The reason for the increase in expenditure under Palace is the same as I gave in connection with this item while discussing the actuals of 1113. The amount of Rs. 55,000 represents just a portion of the grant to the Palace Funds under the Palace Revision Scheme. In the budget of the current year provision had been made only for the total grant minus the contribution to the Palace Reserve Fund. Towards the end of the year Government decided to restore this grant which was being with-held for financial reasons and therefore in the Revised Estimate an excess provision of Rs. 55,000 has been made. The increase in expenditure under Miscellaneous is mainly on account of the visit of His Excellency the Viceroy amounting to Rs. 43,309. It is particularly noteworthy that while the total expenditure on account of the Viceroy's visit on the previous two occasions came to Rs. 1,38,623 and Rs. 1,34,142 respectively the same on account of it this year has come to only Rs. 43,309. The increase under Income-tax is due to larger refunds anticipated. The increase under Interest is due to the payment of arrears in the interest claims on the State loans and the increase in Pension and Gratuity is due to the increase in payments under Pension and Gratuity rules.

12. There have been also decreases in expenditure as compared to the budget estimate of the current year. The main decreases are under Education, Matches and Railway. The reduction in Education is largely due to savings in establishment, leave allowance, etc. That under Railway is due to the fall in working expenses while the decrease under Matches is due to the fact that the entire contribution to the Government of India as originally anticipated may not have to be paid since there has been a fall in the sale of banderols and the consequent collection of the Matches Excise duty.

13. Taking all these changes both under receipts and expenditure together the net result, as explained above, has been that

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while according to the Budget estimates the current year was expected to close with a surplus of Rs. 3,30,600 the same according to the Revised estimates comes to Rs. 4,91,500.

## BUDGET ESTIMATE OF 1115.

14. Next, taking up the Budget estimates of the next year, which I have the honour to present before the House to-day for their consideration, the Hon'ble Members would have noted that as compared to the Revised estimates of the current year the Budget estimates of the next year under receipts and expenditure show a slight decrease of Rs. 50,900 and Rs. 66,800 respectively.

**RECEIPTS.**

15. The decrease in receipts is mainly under Customs and Income-tax. The average of the Budget estimate and the Revised estimate of 1114 under Customs is taken approximately as the probable receipts of next year. So calculated it stands at Rs. 24·25 lakhs. Under Income-tax although the Revised estimate of the current year is expected to yield Rs. 7 lakhs, for next year it might be safer to place it at a little less viz., somewhere about Rs. 6·5 lakhs. Taking the case of other departments the Hon'ble Members would note that especially under Miscellaneous and Matches provisions in excess of the revised estimate have been made. Under Miscellaneous the increase is to the extent of One lakh of rupees. This is the amount appropriated from the Revenue Reserve Fund to be made available for expenditure on rural development. Under Matches an income of Rs. 2·06 lakhs is anticipated as against the previous Revised Estimate figure of Rs. 1·23 lakhs. This is on account of the receipts anticipated for two years 1938—39 and 1939—40 together. It became necessary to take over the income of 1938—39 to 1939—40 on account of certain changes in accounts in the distribution of the Matches Excise duty introduced by the Government of India. From 1116 onwards, however, there will be only the normal one year's receipt in each budget.

**EXPENDITURE.**
**Education and Panchayats.**

16. On the expenditure side also the Budget Estimates of next year show a slight fall as compared to the Revised Estimates of the current year. The difference is approximately Rs. 0·67 lakh. Though the total under ordinary expenditure for next year is slightly less than the same for the current year as per the Revised Estimate there is increase in expenditure especially under Education and Panchayats. Under Education there is an increase of Rs. 39,000 over the Revised Estimate of the current year. Under Panchayats there is an increase of expenditure to the extent of Rs. 68,000. Of this, Rs. 62,500 is allotted for special rural development works, Rs. 27,500 being devoted to concentration works, Rs. 30,000 to

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